

Topsil Semiconductor Materials is offering new shares

Topsil Semiconductor Materials A/S ("Topsil") is offering 103,890,151 new shares at a price of DKK 0.90 per share with preemptive rights for the existing shareholders of the company. The net proceeds of approx. DKK 87.0m will be used to implement an offensive growth strategy and expand the production capacity. The Offering is fully underwritten by institutional investors and Topsil's principal bank.

Today, the Board of Directors of Topsil decided to exercise its authorisation to increase the share capital of the company. Hence, Topsil is publishing a prospectus in connection with an offering of shares with preemptive rights for the existing shareholders of the company ("the Offering").

The Offering comprises 103,890,151 new shares each with a nominal value of DKK 0.25 ("the Offer Shares"), offered at a ratio of 4:1 (which means that shareholders will be allocated one (1) preemptive right for each existing share, and four (4) preemptive rights entitle shareholders to subscribe for one (1) new share). The subscription price is fixed at DKK 0.90 per share.

If the Offering is implemented gross proceeds will amount to DKK 93.5m and the net proceeds to approx. DKK 87.0m after deduction of costs. The Offering is fully underwritten.

A shareholders' meeting will be held on 27 April 2010 at 17.30 CET at Topsil's premises, Linderupvej 4, 3600 Frederikssund, Denmark.

Reason for the Offering

Topsil's market for components for medium and high voltage products has shown solid growth in the last few years, driven by a number of global trends, including higher focus on energy-saving solutions to the industrial as well as the transport sectors, global expansion of energy infrastructure, and political focus on investments in sustainable energy. These global trends are expected to continue in the coming years and will create further growth potential for Topsil.

Today, Topsil has a solid market position in a niche market within silicon wafers for both medium and high voltage products. This position was established in 2006, based on a long-

ANNOUNCEMENT OF PROSPECTUS



term supplier agreement, optimisation of production, and access to in-house wafering and new silicon technology through the acquisition of Cemat Silicon S.A. in Poland. Due to the substantial growth in recent years, Topsil is now close to the full utilisation of its production capacity.

Based on a new long-term supplier agreement and a number of new long-term customer agreements concluded in early 2010 with higher guaranteed minimum volumes Topsil cemented its close relations to the customers and is now ready to implement its growth strategy – "Seizing the Opportunity" to be able to utilise its growth potential.

The growth strategy includes the following expansions/improvements of the existing production facilities:

- Expansion of production capacity (the "greenfield project")
- Optimisation of production flow
- Improvement of cost position and competitiveness
- Full utilisation of in-house wafering

Thus, the reason for the Offering is Topsil's wish to secure financing of a number of substantial investments from 2010 to 2012 totaling approx. DKK 290m, including growth related investments of approx. DKK 235m.

The most important growth investment covers an expansion of the production capacity by building a new factory in the Frederikssund area (the greenfield project). The investment in the greenfield project is expected to total approx. DKK 205m from 2010 through 2012 with the highest drawing on liquidity in 2011.

Other investments in the growth strategy amount to approx. DKK 30m and mainly cover investments in new wafering equipment and a general expansion and upgrading of the production facilities in Poland. The remaining investments of DKK 55m primarily involve R&D projects and other investments in Denmark and Poland.

The Topsil Group expects revenue of approximately DKK 440-460m in the current financial year (2010), corresponding to moderate growth of approx. 5-9%. Despite expected lower selling prices for a part of the FZ-NTD production in 2010 compared with previous years, the group as a whole is expected to generate EBITDA of around DKK 100-110m on the back of lower purchase prices and the current optimisation efforts. Hence the EBITDA margin will be maintained at around 23%.

Use of proceeds

If the Offering is fully subscribed net proceeds are expected to amount to approx. DKK 87.0m after deduction of estimated costs for Topsil relating to the Offering. The proceeds from the Offering will improve Topsil's capital base, and together with the expected cashflows from operations, the proceeds will be spent on the budgeted investments. We expect to minimise net interest payments through an interim reduction of the drawing on credit facilities until the proceeds are allocated.

ANNOUNCEMENT OF PROSPECTUS

Page 2 of 5

Placement and underwriting

On 20 April 2010, an underwriting agreement and underwriting commitments were made subject to certain conditions for subscription of up to 100% of any new shares not subscribed for when the subscription period closes. Small Cap Danmark A/S, Realdania, Chr. Augustinus Fabrikker Aktieselskab and Fondsmæglerselskabet LD Invest A/S have provided underwriting commitments for subscription of a total of 55,555,556 new shares (corresponding to 53.5 % of the new shares) (the "Underwriting Commitment"), and Amagerbanken has provided an underwriting commitment of 48,334,595 new shares (corresponding to 46.5 % of the new shares) (the "Underwriting Agreement").

The underwriting commitments of Small Cap Danmark A/S, Realdania, Chr. Augustinus Fabrikker Aktieselskab and Fondsmæglerselskabet LD Invest A/S are subordinate to Amagerbanken's commitment, implying that the underwriting commitment of Amagerbanken will be reduced by the number of new shares subscribed for in the Offering and will not become effective if more than 48,334,595 new shares are subscribed.

The underwriting commitments of Small Cap Danmark A/S, Realdania, Chr. Augustinus Fabrikker Aktieselskab and Fondsmæglerselskabet LD Invest A/S are rateable and rank pari passu. The parties to the Underwriting Commitment and the Underwriting Agreement are not jointly and severably liable with respect to their underwriting obligations.

Furthermore, the Underwriting Agreement and the Underwriting Commitment include certain conditions for the parties' obligations, which in Topsil's judgement are usual in connection with an offer like the Offering. If one or more of the conditions are not satisfied the Lead Manager may terminate the Underwriting Agreement and the Underwriting Commitment.

Terms and conditions

Offer price

The Offer Shares are offered at a price of DKK 0.90 per share with a nominal value of DKK 0.25 each, free of brokerage.

Preemptive rights

Preemptive rights will be allocated to shareholders of Topsil who are registered with VP Securities A/S on 27 April 2010 at 12.30 CET. Topsil shares traded after 9.00 CET on 23 April 2010 will be traded without preemptive rights.

Existing shareholders will be allocated one (1) preemptive right for each existing share with a nominal value of DKK 0.25, and four (4) preemptive rights entitle the holder to subscribe for one (1) Offer Share with a nominal value of DKK 0.25. The preemptive rights may be traded on NASDAQ OMX Copenhagen A/S from 23 April 2010 at 9.00 CET until 7 May 2010 at 17.00 CET. Preemptive rights that are not exercised during the subscription period will lapse with no value, and holders of such preemptive rights will not be entitled to compensation.

Subscription ratio

ANNOUNCEMENT OF PROSPECTUS



The Offer Shares are offered with preemptive rights for Topsil's existing shareholders in the ratio of 4:1.

Subscription period

The subscription period for the Offer Shares commences on 28 April 2010 at 9.00 CET, and closes on 12 May 2010 at 17.00 CET.

The Offer Shares will be registered with the Danish Commerce and Companies Agency after implementation of the Offering, which is anticipated on 20 May 2010. The Offer Shares will be issued and registered under a temporary ISIN code and approved for trading and official listing on NASDAQ OMX Copenhagen A/S as from 21 May 2010 at 9.00 CET.

Lead Manager

ATRIUM Partners A/S.

Expected timetable for implementation of the Offering

- | | |
|--|------------------------|
| • Publication of prospectus | 20 April 2010 |
| • Last trading day for existing shares including preemptive rights | 22 April 2010 at 17:00 |
| • First trading day for shares excluding preemptive rights | 23 April 2010 at 9:00 |
| • Trading and official listing of the preemptive rights | 23 April 2010 at 9:00 |
| • Trading period for preemptive rights commences | 23 April 2010 at 9:00 |
| • Allotment of preemptive rights | 27 April 2010 at 12:30 |
| • Opening of subscription period for Offer Shares | 28 April 2010 at 9:00 |
| • Closing of trading period for preemptive rights | 7 May 2010 at 17:00 |
| • Closing of subscription period for Offer Shares | 12 May 2010 at 17:00 |
| • Expected implementation and publication of the Offering | 19 May 2010 |
| • Expected registration of Offer Shares | 20 May 2010 |
| • Expected official listing and trading of the new shares | 21 May 2010 |

Prospectus

Requests for copies of the prospectus containing detailed information on Topsil and the Offering may be addressed to:

Amagerbanken
Amagerbrogade 25
DK-2300 Copenhagen S
Denmark
Telephone: +45 32 66 62 51
Telefax: +45 32 54 16 16
E-mail: b02depot@amagerbanken.dk

ANNOUNCEMENT OF PROSPECTUS

Page 4 of 5



The prospectus (only in Danish) will also be available at Topsil's address and can be downloaded from the company's website: www.topsil.com

Limitations for the Offering

This announcement does not constitute an invitation to invest in Topsil. This announcement only comprises an extract of the information contained in the prospectus of Topsil. Subscription of shares must be based on the published prospectus. The announcement includes forward-looking statements on the strategy, growth, activities, operating profit, financial position and financial expectations, etc, of Topsil. These statements are subject to known and unknown risks and uncertainties. The actual development of Topsil may therefore vary substantially from the mentioned or understood forward-looking statements. The factors that may cause such variations are described in the section "Risk factors" in the prospectus.

This announcement, or copies of this announcement, may neither directly nor indirectly be carried or forwarded to, downloaded or distributed in the United States, Canada, Australia, Japan or any other jurisdiction, where such forwarding or distribution is illegal. Noncompliance with this limitation may be a violation of U.S., Canadian, Australian or Japanese securities legislation, or securities legislation in other countries. This announcement does not constitute an offer to sell securities in the United States, Canada, Australia or Japan. Securities mentioned in this announcement have not been and will not be registered under the U.S. Securities Act of 1933 as amended, and they may not be offered or sold in the U.S. without registration or in compliance with an exemption to, or in a transaction that is not subject to registration in accordance with the U.S. Securities Act.

Topsil Semiconductor Materials A/S

Jens Borelli-Kjær
Chairman
+45 40 16 14 82

Keld Lindegaard Andersen
CEO
+45 21 70 87 72

Please note that this translation is provided for convenience only. The Danish version shall prevail in case of discrepancies.

ANNOUNCEMENT OF PROSPECTUS

Page 5 of 5